



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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EMS TRANSMISSION: 5/17/06
Instruction Memorandum No. CA-2006-027
Expires: 09/30/2007

To: California Desert District Manager, and All Field Managers

From: State Director

Subject: Solid Minerals Cost Recovery, Collection of Case-by-Case Fees

Purpose: This Instruction Memorandum (IM) transmits WO IM No. 2006-106 which discusses procedures for implementation of the cost recovery program for case-by-case fees relating to solid minerals in California.

Background: The cost recovery rule that became effective on November 7, 2005 established case-by-case fees for mineral materials disposals, non-energy leasables, and mining law administration. Subsequent to the effective date of the regulations, WO IM No. 2006-106 was issued on March 13, 2006. This IM can be found on the intranet web site listed below and provides guidance regarding the basic processing steps (fee estimating procedures, collections and billing, appeals, cost estimate worksheets, and new program elements) for charging applicants a case-by-case processing fee.

Policy/Action: Field managers must ensure the following:

- Field offices will be diligent in the implementation of the case-by-case cost recovery regulations for solid minerals applications received after November 7, 2005.
- Field offices should designate appropriate staff to ensure proper tracking of processing costs, and specifically that staff uses the correct program elements and codes with the correct accounts when working on these cost recovery cases.
- Field offices should work to reduce the number of pending cases that are pre-cost recovery (pre-November 7, 2005) to the extent possible.

If there are questions you may contact Steve Kupferman, CASO, Energy and Minerals Division at (916) 978-4383 or skupferm@ca.blm.gov.

Signed by:
Richard Grabowski
Acting State Director

Authenticated by:
Richard A. Erickson
Records Management

cc: DSD's Resources, Support Services, External Affairs, Energy & Minerals

Attachments:

1. Link to WO Cost Recovery IM No. 2006-106 (1 pp)
2. List of New Program Elements for Newly Created 5110 Subactivity (1 pp)
3. Procedure for Obtaining a Project Number From CASO Budget Staff (1 pp)

Link to WO Cost Recovery IM No. 2006-106

The link to the WO solid minerals intranet web page on cost recovery is <http://web.blm.gov/internal/wo-300/wo-320/costrecovery.htm>. This page includes the Final Cost Recovery Rule, the Cost Recovery Instruction Memorandum (WO IM No. 2006-106), the Solicitor's Opinion, and Frequently Asked Questions About Cost Recovery.

List of New Program Elements for Newly Created 5110 Subactivity

This cost recovery rule applies to solid mineral documents/actions, such as mineral materials disposals, EIS's for 3809 Plans of Operations, and competitive leases for solid leasable minerals, filed on or after November 7, 2005. A **new subactivity, 5110**, has been created for case-by-case fees for solid minerals project processing. In conjunction with the new subactivity, fourteen new program elements have also been established to assist in tracking BLM processing costs.

The new **Program Elements** that apply to cost recovery for non-coal solid minerals are as follows:

- GE – Prospecting Permit Applications
- GF – Preference Right Lease Applications
- GH – Competitive Lease for Non energy Minerals
- GI – Application to Suspend, Waive or Reduce Rental, Minimum Royalty, or Production Royalty Rate for Non-energy Minerals
- GJ – Future or Fractional Lease for Non-energy Minerals
- GK – Non-competitive Sales for Mineral Materials
- GL – Competitive Sales for Mineral Materials
- GM – Contract Renewal for Mineral Materials
- GN – Plan of Operations with an EIS for Mining Law Administration
- GO – Validity & Mineral Examinations and Reports for Mining Law Administration

Time spent processing documents/actions filed prior to November 7, 2005, should continue to be charged/coded to previously established program elements. Cost recovery fees should be assessed and collected for solid mineral cases filed on or after November 7, 2005. Time spent processing these solid minerals case-by-case documents/actions filed on or after November 7, 2005, should be charged/coded to the appropriate new PE's listed above and the project number assigned by the CASO Budget Staff.

Procedure for Obtaining a Project Number From CASO Budget Staff

Project numbers for each new Subactivity 5110-Solid Minerals Cost Recovery, Collection of Case-by-Case Fees, are assigned by the State office and requested as follows:

- Obtain a project number from the CASO Budget Staff
- The field office (FO) requesting a project number is responsible for providing the following information in the request to the Budget Staff
 1. Office Code
 2. Point of Contact (POC)
 3. POC's Telephone #
 4. Case file #
 5. Estimated \$ Amount
 6. Project Name
 7. Project Duration
 8. Applicant
 9. Applicant Address
 10. Applicant POC
 11. Applicant's POC's Telephone #
- The field offices complete Form # 1310-20 (Project/Subproject Number Assignment and Information Form). To obtain this form, email your regional budget analyst. Also, on Form 1310-20 you must identify the lead office plus *all* other offices that can/will charge to the project. Fax the completed document to BC-612 Attn: Michael Reilly and retain a copy for your files.